

Safeway and Target stores in Hilo on DHHL land will create 500 jobs

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Safeway and Target have signed a lease agreement with the state Department of Hawaiian Home Lands for a new development in Hilo that will result in the hiring of about 500 employees.

The combined cost of the investment on the 15.5-acre commercial parcel is about \$60 million and the 60-year ground-lease agreement will generate approximately \$77.6 million for DHHL.

The first 10 years of the lease will bring in annual revenue of \$568,461 and will increase at various intervals, with the last five years generating annual revenue of \$2.8 million. The tenants-in-common plan to break ground in January 2010.

"DHHL is committed to building homes for native Hawaiians, but also to improving the quality of life for everyone in the surrounding area," said Micah Kane, director of DHHL. "The development of these retail stores goes against the trend in this down economy, but it shows that Safeway and Target are confident about their future in Hilo, and that says a lot about the Big Island."

Safeway expects to employ about 200 people and plans to complete its 20th store in the state in the first or second quarter of 2011. The size of the store is estimated at 60,000 square feet.

Target looks to complete its fourth store in the state in July 2011 and hire about 300 people.

The size of the store is estimated at 120,000 square feet.

The development is behind an existing Wal-Mart, across from Home Depot and within walking distance from Prince Kuhio Plaza.

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